



UNITED STATES DEPARTMENT OF COMMERCE
Bureau of the Census
Washington, DC 20233-0001

OFFICE OF THE DIRECTOR

FROM THE ACTING DIRECTOR
BUREAU OF THE CENSUS

We have enclosed your company's report form and instructions for the 1997 "Survey of Industrial Research and Development (R&D)." This survey provides information for examining R&D tax credits. Some businesses are able to use R&D tax credits to reduce their Federal tax burden. The data assist public officials in allocating research funding by state, which may benefit companies like yours. Analysts also use the results to compare spending in this country with others to ensure that U.S. businesses are not at a competitive disadvantage.

In addition to the traditional report form, we have included a computerized self-administered questionnaire diskette that you may use as an alternative format for reporting. Please refer to the instructions for installation. If you have any questions about installing or using the diskette, please contact the Electronic Reporting Staff on 1-301-457-4125.

The diskette and Form RD-1(L) contain information from the previous report for your company. **Please review the instructions, complete the diskette or the form, and return it within 60 days.** Federal law requires your response to four items identified on the form. Your voluntary response to all other items is needed to assure useful results.

Information you report should cover the domestic operations of your consolidated enterprise for calendar year 1997. We recognize that providing this information is a burden, and we have worked hard to minimize it. For example, if you do not have book records for any item, **you may provide carefully prepared estimates.** The law that authorizes this survey (Title 13, United States Code) requires that we keep your report in full confidence. Only sworn Census Bureau employees will see your information and they will use it only for statistical purposes.

We conduct this survey with National Science Foundation (NSF) support. We have enclosed a letter from the Director of NSF encouraging your response to the survey. If you have any questions, please call my staff on (301) 457-1339. Thank you in advance for your cooperation.

Sincerely,

James F. Holmes

Enclosures